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9 JAN 1959

MEMORANDUM FOR: Assistant Director for Research and Reports
THROUGH: Chief, Economic Research, ONR
FROM: Chief, Industrial Division, ONR
SUBJECT: Comments on Draft DCID 3/4, "Production of Guided
Missile and Astronautics Intelligence" (Prepared
by ONIC, 31 December 1958)

1. The discussion which follows centers around the meaning and implication of paragraph 4.c. on page 5 of subject document which reads in part:

Specific responsibilities of the ONAIC shall include the following:

c. To produce (1) coordinated drafts of national intelligence estimates, ...

2. Since the wording of this paragraph has been changed from what appears in the current ONIC charter ("Preparing coordinated contributions for...") and since the wording is consistent with that of the JAEIC charter, it is assumed that the procedure which is proposed for ONIC is to be the same as that of JAEIC. This would imply that ONIC would draft and coordinate the estimate to be presented to the USIB for its approval. The usual NIE procedure of contributions to ONE, ONE Staff draft, and coordination of the NIE by the Board and the usual USIB representatives for NIE's would be circumvented. The procedure would allow a very limited amount of time for a very general review of the ONIC draft by the Board of National Estimates, which could then recommend changes (presumably to ONIC and the DCI).

3. The arguments presented in the attached ONE memorandum to the Director (particularly, paragraphs 3 and 4) are basic to the decision which he must make; it is recommended that this Office endorse ONE's recommendations in subparagraphs 6. b. and c. and support AD/NE in this matter to the fullest extent.

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4. In addition to the general arguments presented in the AD/NE's memorandum, the Economic Research Area has serious reservations as to GMIC's capability to evaluate our contribution on the broad economic cost and feasibility considerations which have been and should be an important part of NIE's on the over-all capabilities of the Sino-Soviet Bloc in the field of guided missiles and space activities. These reservations center around the fact that GMIC does not now have nor is it likely to have, the capability to evaluate our contributions to such estimates. Although our contributions are good and have significantly improved the over-all quality of these estimates, we feel that they deserve the type of detailed review and constructive criticism which only the Staff and Board have been able to give to this subject which so greatly influences US foreign and domestic policy. The proposed DCID would not permit this.

5. Furthermore, if certain alternative paragraphs in other parts of the subject paper are approved, GMIC would be barred from writing the over-all type of estimate which is required for national policy decisions. Specifically, if paragraph 3. b. (1), page 3, as recommended by the military services is approved, GMIC would not have a substantive responsibility for numerical requirements or deployment and would be limited to writing an estimate covering only scientific, technical and production aspects of the problem. The CIA recommendation for this paragraph would give GMIC the broadness of coverage necessary for an over-all estimate.

6. Another alternative procedure might meet most of the objections to the current procedure and that proposed in the subject DCID. The steps involved in this procedure are outlined in Table I and are compared with the other two currently under consideration. This alternative differs from the DCID procedure in that the estimate is drafted by the GNS Staff rather than by GMIC and is coordinated by the Board of National Estimates together with the GMIC representatives. An additional advantage would be that GMIC would have more time to carry out its other functions which could improve the intelligence on which the estimate depends.

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